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April 11, 2006

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, DC 20551

Re: **FRB Docket No. OP-1246**; Proposed Interagency Guidance on Concentrations in Commercial Real Estate; 71 Federal Register 2302, January 13, 2006

Dear Ms Johnson:

Thank you for the opportunity to comment on the proposed interagency guidance entitled, "Concentrations in Commercial Real Estate, Sound Risk Management Practices," issued on January 13, 2006. As an officer of a Community Bank, Shore Bank, I am concerned that the proposed guidance would negatively impact our growth potential as well as all community banks throughout the United States.

Community banks exist to serve people and businesses in their local areas. Our ability to lend to the various businesses in our community, allows the Bank to succeed and our communities grow and prosper. Shore Bank, as with many community banks has a conservative lending policy and follows sound lending guidelines. Compliance with existing laws has seen that we have been able to grow our lending portfolio with a limited amount of risk.

In the years that I have been in banking, the lending portfolio has shifted from residential mortgages to commercial real estate loans. The community banks are not able to compete with mortgage brokers and have needed to move into commercial lending in order to remain successful.

Commercial real estate, as defined in the proposed guidance includes types of properties we consider consumer in use and purpose. Specifically, loans to construct 1-4 family residential homes should be excluded. These loans are underwritten for the permanent financing and have minimal risks.

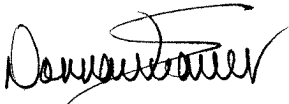
It appears that the 100% capital threshold is much too low. I cannot imagine explaining to a customer that although they truly qualify to purchase a new commercial property which would have the potential to bring jobs to our community, we as a community bank are not able to approve the loan due to a capital threshold, and that they need to go to a bigger bank.

The solution would be that we would lend the money taking alternative collateral instead of real estate, creating a riskier loan for the bank and higher interest for the business owner. The business owner would find that a larger nationwide bank would be able to complete the loan and word on the street would be that the little community bank would not.

The proposed guidance seems to unjustly penalizes all community banks for errors made by a handful of banks. Concerns of risky lending practices should be dealt with on an individual bank basis. If allowed to be approved, this would be detrimental to the success and growth of community banks across the country.

Again, I thank you for your time and appreciate the opportunity to voice my concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna E. Weaver". The signature is fluid and cursive, with a large initial "D" and "W".

Donna E. Weaver
Vice President
Branch Administration
Shore Bank